GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:1082
ANSWERED ON:01.03.2001
LOSSES TO SEBS
CHANDRA NATH SINGH

Will the Minister of POWER be pleased to state:

(a) whether many of the State Electricity Boards are losing crores of rupees everyyear due to mismanagement and are owing thousands of crores of rupees to Coal India and Railways etc.; and

(b) if so, the steps proposed to be taken to improve the working of the SEBs from the debt and mismanagement?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER(SHRIMATI JAYAWANTI MEHTA)

(a) : It is a fact that most State Electricity Boards are incurring huge losses and havelarge outstanding dues on account of supply/transportation of coal.

(b) : The Government of India enacted Electricity Regulatory Commission Act, 1998with a view to rationalize tariff, promote transparent policies towards subsidies etc. The Central Electricity Regulatory Commissionhas been constituted and has started functioning. This Act enables the State Governments to set up State ElectricityRegulatory Commissions (SERCs).So far, 15 States have notified constitution of SERCs.SERCs of Orissa, Andhra Pradesh, Maharashtra, U.P., Gujarat, Karnataka andHaryana have already issued tariff orders.

With a view to expedite power sector reforms particularly in distribution, the Government of India has taken several steps.The Conference of Chief Ministers`/PowerMinisters` held in February 2000 resolved that reform must be undertaken withdetermination, vigour and a sense of urgency. The key elements of the reform strategy are :

(i) Energy Audit at all levels.

(ii) Time-bound programme of 100% metering of all consumers by December, 2001.

(iii) Reduction and finally, elimination of power theft within a specified time frame.

(iv) Strengthening/upgradation of sub-transmission and distribution system by taking sub-station as an unit on a priority basis.

It has also been agreed that if the above appears unattainable in the existing set up, corporatization/cooperatisation/privatisation of distribution would have to be undertaken. The Government of India is also signing MOUs on reforms with Stateswhereby the States commit to achieve definite milestones to reduce T&D losses, eliminate theft, improved billing and collection, setting up of functional SERCs etc.The Government of India offers financial support through the Accelerated PowerDevelopment Programme (APDP) and additional allocation of power from unallocated share of central pool etc. So far, the States of Karnataka, U.P., M.P., Haryana and Gujarat have signed MOUs.